

TREASURY - GENERAL

**STATE INVESTMENT COUNCIL
Common Pension Fund D**

Proposed Amendments: N.J.A.C. 17:16-67.6 and 67.12

Authorized By: State Investment Council, Peter A. Langerman, Director,
Division of Investment

Authority: N.J.S.A. 52:18A-91

Calendar Reference: See Summary below for explanation of exception to calendar
requirement.

Proposal Number: PRN 2004-128

Submit comments by June 4, 2004 to:

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The agency proposal follows:

Summary

The proposed amendments to N.J.A.C. 17:16-67.6 will change the valuation for Common Pension Fund D from quarterly to monthly. The proposed amendment to N.J.A.C. 17:16-67.12 (c) will allow for the market value to exceed the 22 percent limit, with the caveat that the Council will be notified at a regularly scheduled meeting, and they may grant a six-month period of grace to reduce the level below 22 percent, except that said grace period may be extended, with Council approval, for additional four-month periods.

Because the Division is providing a 60-day comment period on this notice of proposal, this notice is exempt from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

There shall be no social impact from the proposed amendment.

Economic Impact

There shall be no economic impact from the proposed amendment.

Federal Standards Statement

A Federal standards analysis is not required because the investment policy rules of the Division of Investment are under the auspices of the State Investment Council, and are not subject to any Federal requirements or standards.

Jobs Impact

The State Investment Council and the Division of Investment do not anticipate that any jobs will be generated or lost by virtue of the amendments to these rules.

Agriculture Industry Impact

The proposed amendments shall have no impact on the agriculture industry.

Regulatory Flexibility Statement

A regulatory flexibility analysis is not required, since the proposed amendments impose no requirements on small businesses as the term is defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., but regulates only the Director of the Division of Investment.

Smart Growth Impact

The proposed amendments are not anticipated to have an impact on the achievement of smart growth and implementation of the State Development and Redevelopment Plan.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

17:16-67.6 Date of valuation

The valuation shall be determined at the opening of business of the first business day of each [quarter] **month**, and shall be based on market prices and accruals as of the close of the previous day, in every case converted into United States dollars as provided in N.J.A.C. 17:16-67.7.

17:16-67.12 Limitations

(a) – (b) (No change.)

(c) If the market value exceeds 22 percent, then the Council shall be notified at a regularly scheduled meeting of the Council. The Division may be granted a six-month period of grace to reduce the level of participation of the fund below the 22 percent level, except that the period of grace may be extended for additional four-month periods with the approval of the Council.

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